CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA
REGULAR MEETING

APRIL 21, 2009

INVOCATION:
Pastor Steve Felton of Vineyard Christian Fellowship gave the invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Orach led the Pledge of Allegiance.

CALL TO ORDER:
Mayor Lavagnino called the Regular Meeting of the City Council to order at 6:30 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Cordero, Orach, Patino, Zacarias, and Mayor Lavagnino.

STAFF MEMBERS PRESENT
City Manager Ness, City Attorney Trujillo, Assistant City Manager Haydon, Advance Planner Smith, Police Chief Macagni, Fire Battalion Chief Orr, Director of Utilities Sweet, Director of Administrative Services Snodgrass, Director of Recreation and Parks Posada, Principal Civil Engineer Springer, Special District Planning Technician Ellis, Acting Parks Services Manager Davis, Community Programs Manager Coelho-Hudson, and Chief Deputy City Clerk Perez.

ANNOUNCEMENTS:
Mayor Lavagnino announced that he and Director of Utilities Sweet flew to Oakland on April 21st to meet with representatives from FEMA. Director Sweet reported that they met with the FEMA Executive Director for Region 9. The Army Corps of Engineers presented the City with a time line for fixing the levee which results in the levee being completed in the summer of 2011. FEMA's time line for adoption of the new flood plain maps is the summer of 2010. What the City was asking FEMA to do was to delay adoption of the maps for one year until the levee was fixed. FEMA would not agree. As a result, the City would contest the maps on technical grounds, and that would probably delay the approval of the maps for up to a year to 18 months. Staff was hoping that the City would not have to fight with FEMA for 18 months and spend money to prepare a technical study; however, it appeared that would be necessary.

PROCLAMATION – FAIR HOUSING MONTH
Councilmember Zacarias read a proclamation declaring the month of April 2009 as "Fair Housing Month" in the City of Santa Maria and expressing the hope that this observance will assist in the continuance of equal housing opportunities for all residents of Santa Maria. The proclamation was accepted by Rick Corbo from Legal Aid of Santa Barbara County.

VOLUNTEERS OF THE MONTH
Councilmember Cordero presented a gift to the Recreation and Parks Volunteers of the Month for April 2009, Michael Muscio, and 10 members of his 8th Grade Science class from Fesler Junior High School: James Bergstrom, David Castillo, Najeli Corrales, Patrick Del Real, Lisbeth Gutierrez, Cheyenne Lopez, Osbaldo Quintanar, Justina Sotelo, Kimberly Webb, and Virginia Yanez, who gathered acorns, planted them, nurtured the small oak trees, and then planted 60 Oak tree saplings at the Los Flores Ranch Passive Recreation Project area.

PROCLAMATION – WEEK OF THE YOUNG CHILD
Councilmember Orach read a proclamation declaring the week of April 19 – 25, 2009, as "Week of the Young Child" in the City of Santa Maria and urging all citizens to recognize the valuable contributions of early childhood teachers and care givers and to continue to actively support the need for more and better child care within our

community. The proclamation was accepted by Judy Dalporto, Director of the Allan Hancock College Parent/Child Workshop.

PROCLAMATION – KCOY'S SPRING FOOD DRIVE
Mayor Lavagnino read a proclamation declaring April 27 – May 20, 2009, as the dates for "KCOY's Spring Food Drive" in the City of Santa Maria, and encouraging all residents of the Santa Maria Valley to participate by collecting cans of food for donation to the Santa Maria Valley Foodbank. The proclamation was accepted by Laurie Pipan, Katie Marsulo and Kevin Harlan from KCOY.

PROCLAMATION – NATIONAL DAY OF PRAYER
Councilmember Patino read a proclamation declaring May 7, 2009, as "National Day of Prayer Observance" in the City of Santa Maria and encouraging people of all faiths to participate in the National Day of Prayer according to their own traditions. The proclamation was accepted by Cecile Prevost.

PROCLAMATION – PAINT OUR TOWN PURPLE DAY/RELAY FOR LIFE
Councilmember Orach read a proclamation declaring May 1, 2009 as "Paint Our Town Purple Day" and July 11 through 12, 2009, as "Relay for Life Days" in the City of Santa Maria and encouraging the residents to join in recognizing and participating in this purposeful event held in our community and to recognize all those living with cancer, and honor those individuals who have lost their lives to the dreaded disease of cancer. The proclamation was accepted by Janna Douma.

PUBLIC COMMENT
Sharon Cruz and Maria Doovia Knudsen, Community Action Commission, invited the Council to a Family Literacy Block Party on Saturday, April 24th, in honor of the Week of the Young Child and National Turn Off the TV Week. They presented children's art work to each Councilmember.

Victoria Rodriguez spoke about gang violence. She talked about a young person who told her about the fear of gangs. She was a voice for young people in need. She asked how information about programs for children was getting to the young people or to people who would like to volunteer.

Mark Rademaker spoke about the recent increase in violence in the Country and the right to carry concealed weapons.

Ernest Armenta spoke regarding the water and sewer rate increases and encouraged the viewing public to pay attention to that item. He asked the Mayor to give a report on the SBCAG meeting regarding DMV fee increases for Santa Barbara County only. He also talked about medical marijuana dispensaries and the possibility of one opening in Guadalupe.

Jason Carvalho, Granite Construction Company, spoke regarding Item 3F. He asked the Council to pull that item from the Consent Agenda.

Gwen Wood spoke against a public forum tomorrow being held by PUEBLO to help illegal aliens keep their vehicles from being impounded at sobriety check points. PUEBLO would be trying to get the City to stop the sobriety check points because they were hurting illegal aliens and their families. PUEBLO wanted preferential status for illegal aliens based on their immigration status.

Larry Bargenquest stated PUEBLO was asking the police officers of Santa Maria to drop their law enforcement mind set. He asked if PUEBLO realized how presumptuous and arrogant they were to come into the Santa Maria Valley and ask the Police Department to drop their law enforcement mind set.

CONSENT CALENDAR
Mayor Lavagnino requested Item 3F be pulled for comment.

Consent Calendar Items A through H except 3F were approved on motion by Councilmember Orach, seconded by Councilmember Cordero, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar were adopted by the same vote cast at the first reading unless City Council indicated otherwise.

B. MINUTES
The Minutes of the Regular City Council Meeting of April 7, 2009, were approved as submitted.

C. MEMORANDUM OF UNDERSTANDING
Resolution No. 2009-53 was adopted approving amendments to, and an extension of, the current Memorandum of Understanding (MOU) with the Santa Maria Police Officers' Association (SMPOA).

Resolution No. 2009-53 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AMENDMENTS TO AND AN EXTENSION OF THE MEMORANDUM OF UNDERSTANDING (MOU) WITH THE SANTA MARIA POLICE OFFICERS' ASSOCIATION (SMPOA).

D. WARRANTS
Warrant Nos. 149909 to 150198 totaling $1,487,214.58 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrant Nos. 140294 and 149091 were cancelled.

E. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Administrative Services and having been approved for payment by the Director of Administrative Services.

F. REJECTING ALL BIDS
Pulled for a separate vote.

G. CALL FOR BIDS
Council gave approval to call for bids on the plans and specifications for South Blosser Road Reconstruction, Bid No. 2009/11.

H. AGREEMENT WITH CH2M HILL
Resolution No. 2009-55 was adopted approving an agreement with CH2M Hill to provide professional services to evaluate groundwater treatment reverse osmosis concentrate disposal for the City of Santa Maria Wastewater Treatment Plant.

Resolution No. 2009-55 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING THE DIRECTOR OF UTILITIES TO ENTER INTO AN AGREEMENT FOR PROFESSIONAL SERVICES TO EVALUATE GROUNDWATER TREATMENT REVERSE OSMOSIS CONCENTRATE DISPOSAL.

F. REJECTING ALL BIDS
Item 3F – Rejection of Bids for West Stowell Road Reconstruction.
Jason Carvalho, Granite Construction Company, explained that his company was the low bidder for this project. The day after the bid was opened, the City called his office

and questioned one of the bid items that appeared low. The reason they bid it so low was that they invested time and money to investigate the site and determined that the job would not need as much base rock as listed in the specifications. They assumed a risk that, based on their investigation, they could do the job for the price they bid. The City became aware of the subsurface conditions because of Granite's investigation and information given to the City after the bid opening. Their site investigation was their opportunity for an advantage. Giving that information to all the contractors by rebidding would be taking away Granite's advantage. He asked that the Council award the bid to Granite Construction and not reject all the bids.

Mayor Lavagnino asked if Granite Construction Company obtained an encroachment permit to do their investigation in City streets.

Mr. Carvalho stated the roadway was in poor condition, and they picked the alligator sections or failing area of the roadway to do their investigation.

Principal Civil Engineer Springer stated after the bid opening, staff reviewed the bids and questioned the bid by Granite Construction. He questioned what was not clear in the plans and specifications that would cause a bid to be submitted 300 times less than the typical cost for one item. When they became aware that the subsurface conditions were different than listed in the plans and specifications, they felt it was important to amend the plans and specifications and rebid the project so all the bidders were aware of the conditions.

Councilmember Zacarías asked if the other bidders had the same opportunity to conduct the investigation and if that was a standard practice.

Principal Civil Engineer Springer explained that the plans and specifications indicated that contractors were to become familiar with the site. In order to dig in the City's streets, an encroachment permit was required. None of the contractors, including Granite Construction Company, requested an encroachment permit.

Councilmember Zacarias stated the other bidders did not do the investigation that Granite Construction Company did and asked if staff felt it was unfair to the other bidders because they did not have the same information to properly prepare their bids.

Principal Civil Engineer Springer explained that the Public Works Department wanted the plans and specifications to be clear enough that all bidders were bidding on the same project with the same information so staff could equitably compare prices.

Councilmember Orach asked Mr. Carvalho if it was normal operating procedure for Granite Construction Company to encroach on a public street to do core samples. He asked if they generally obtained encroachment permits to do the work.

Mr. Carvalho replied that there was a cost associated with that type of investigation, and a lot of contractors were not willing to put forth that extra effort. If it was a road that was in distress and they did not have to go into the travel way, they did not get an encroachment permit. If they had to go into the travel way or block off a street, they would certainly get an encroachment permit.

Councilmember Patino stated Granite Construction Company wanted to do an investigation to find out exactly how to cost the job. If this was unfair, then what would be fair after this. The other contractors now knew what Granite Construction Company's bid was.

City Manager Ness stated if Granite Construction Company provided a proposal to their own specifications, not the City's specifications, and then found out they had made a mistake and more material was needed, what would prevent them from asking for a change order. That was another consideration the City would have to keep in mind.

Mr. Carvalho stated the plans and specifications were very clear; and if additional base rock had to be imported, it would be at the bid amount of S.08 per ton.

The item was continued to the next meeting with direction to staff to bring back the appropriate resolution to award the bid to Granite Construction for West Stowell Road Reconstruction, Bid No. 2009/12, on motion by Councilmember Patino, seconded by Councilmember Zacarías, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

PROHIBITING THE USE OF TOBACCO PRODUCTS IN PUBLIC PARKS EXCEPT IN DESIGNATED AREAS.

Director of Recreation and Parks Posada gave the staff report. The City Council is asked to consider a recommendation from the Recreation and Parks Commission regarding a proposed ordinance approving changes to Santa Maria Municipal Code Chapter 5-7 "Tobacco Control Ordinance" which would prohibit the use of tobacco products in City parks, except in designated areas, and review the proposed placement of designated smoking areas for each of the City parks, as recommended by the Recreation and Parks Commission. This item was originally heard by the City Council on January 20, 2009. At that time, the City Council asked that staff make revisions to the draft ordinance, in an attempt to better define the ordinance. Additionally, staff was asked to review with the Commission possible locations of each proposed designated tobacco use area in public parks. During the City Council Meeting of January 20, 2009, the following points were discussed: the infringement of a person's rights; the definition of a public park; criminalizing the use of legal tobacco products; designating non-smoking locations in parks; how to meet the needs of two separate and diverse user groups in parks; and enforcement of the ordinance.

The Recreation and Parks Commission at its regularly scheduled meeting of March 10, 2009, reviewed and approved on a 5-0 vote the revised definition of a public park and studied the aerial photos of proposed locations for the designated smoking areas in each park. The proposed placements were general locations and may need to be adjusted by staff in the field.

Staff tried to be very conscientious of costs for this program. There were monies available through the County Public Health Tobacco Settlement Program. As part of that program, the City was able to secure about $9,000 which would be available after July 1, 2009. If the ordinance was adopted, the City would be able to access about $12,188 of grant funds for signage and public education. One of the items mentioned in the staff report was a roll-out period to give staff the opportunity to schedule improvements to each park. Staff would try to accommodate a 120-day roll-out period. Final details would be worked out with the County and other groups involved.

Bruno Brunello, Recreation and Parks Commission Chair, thanked the City Council for working with them and providing direction to them. He acknowledged City Manager Ness, Recreation and Parks Director Posada, and Assistant City Attorney/Utilities Counsel Stockton for providing language for the ordinance. The Commission had many citizens speak for and against this topic. These citizens conducted themselves in a very professional, articulate, and dignified manner. Acting Parks Services Manager Davis was to be commended for investigating all the parks and recommending smoking locations at each park. The Commission diligently studied this issue for over one year. They received many letters and emails and held many open meetings to receive public comment.

Chief Deputy City Clerk Perez announced that written correspondence had been received from Jim Gordon, Alberta Walls, Lisa McGrath, Nina and Jerry Markussen, Marilyn Cronk, Don Perry, and Judy Markline in support of the ordinance prohibiting use of all tobacco products in City parks except in designated areas.

A short video presentation was shown supporting smoke-free parks.

Mayor Lavagnino opened the public hearing.

Diane Glaser, Allan Hancock College Student Health Services, stated they were in year five of being a smoke-free campus with designated smoking areas. They were moving toward a totally tobacco-free campus on August 1st. They had gotten support from all constituencies on campus. The majority of the current students wanted a smoke-free learning environment.

Jackie Brown stated she had asthma and COPD. She was in favor of smoke-free parks. She had seven grandchildren and could not go to the parks with her grandchildren because of the cigarette smoke. Going totally smoke-free instead of having designated areas would save the taxpayers money.

Donna Beal, American Lung Association, stated in July 2007 Sister Janet Corcoran brought the issue to the Recreation and Parks Commission. Marian Hospital and Allan Hancock College would be going totally tobacco free on August 1st. She was happy to hear that if the Council approved the ordinance, it would be rolled-out over 120 days. If the designated areas were cost prohibitive for the City, then Council could make the parks totally tobacco free.

José Nichols, First 5 Commission of Santa Barbara County, stated First 5 worked with parents who had children as well as parents that were pregnant. There was a lot invested in making sure children had a quality beginning. The Commission supported tobacco-free parks.

Lacey Soto, Allan Hancock College Student Health Services and County Tobacco Prevention Program, stated she had talked to many people who wanted the parks to be tobacco free. No child should have to be exposed to second-hand smoke or be able to pick up a cigarette butt and ingest it. They had the right to clean, litter-free parks.

Dawn Dunn, Santa Barbara County Public Health Department's Tobacco Settlement Program, stated they had a $20,000 prevention award for the Recreation and Parks Department. That budget had flexibility. The County Parks Department and her department had been asked to look at this issue for County parks by the Board of Supervisors. The City of Santa Maria was at the cutting edge.

George Alvarez spoke in favor of banning tobacco in the parks and said it should be a no-brainer. He said people needed to start looking at what the community could do to get people to stop smoking.

Bob Morrison suggested that the ban be only in areas close to children. He said he hoped if the Council passed the ordinance, they did it for the right reason and not just to be politically correct. The play areas for children should be marked for no smoking.

Daniel Cadena stated he was a life-long nonsmoker and was opposed to the ban on smoking. Barbecue and fire pit smoke was just as hazardous as cigarette smoke. Currently only 30 percent of the City parks had a ban on alcoholic beverages. He asked why the same approach could not be used for tobacco products in parks. He spoke about freedom of choice.

Ernest Armenta stated he was a smoker. As a tax payer, he paid for the parks. He respected the parks and disposed of his cigarette butts properly and moved away from children when he smoked. The designated areas were far away from the main areas of the park. It was treating smokers like outcasts. He was opposed to the designated areas and an outright ban.

Hearing no further requests to speak, Mayor Lavagnino closed the public hearing.

Recreation and Parks Director Posada stated that there was about $12,188 in tobacco settlement dollars available. However, the cost was approximately $34,000 which meant the City still had a balance of $22,000 to meet the cost of the program.

Dawn Dunn stated for this fiscal year there was a negotiated amount of $23,188 still available. $11,000 of that was earmarked for public education, but it could be moved; so the full $23,188 could be used for infrastructure and public education.

Councilmember Cordero asked what Miss Soto did and what type of response she received.

Ms. Glaser explained that Lacey Soto was the Allan Hancock Student Health Services student worker this year. Her job was to go around and canvas the campus. Never once had she or any student worker been treated rudely or disrespectfully.

Councilmember Zacarías thanked Director Posada for the effort that went into developing the maps. She asked about the designated area close to the building at Grogan Park and if classes were still being offered in the building. She asked if there was a law that prohibited smoking within 20 feet of a public building.

Director Posada replied that there was still a pottery group that met in that building which was why the designated area was closer to the building. Some people in the group smoked, and smoking was prohibited inside the building. The location also gave a clear view of the playground area.

Councilmember Zacarias asked about the designated areas for North Preisker Ranch Park and Oakley Park which was close to a neighbor.

Director Posada explained why those areas had been selected.

Councilmember Zacarías stated she fully supported the Recreation and Parks Commission's recommendation for smoke-free parks. She kept seeing cigarette butts where children were playing. That was her concern. She hoped that the day would come when all the City's parks would be totally tobacco-free.

Councilmember Patino thanked all the students who came to the meeting. She said she lost her father to lung cancer. There were laws now that prohibited smoking within 25 feet of a tot lot or playground and 20 feet from a public building. She did not think this was a policy that could be enforced. She would not object to having some parks completely non-smoking. There were smokers in Santa Maria that were taxpayers, and she did not think they should be criminalized. She talked about the City's budget shortfalls and other positive things that could be done with the money.

Councilmember Orach thanked the Recreation and Parks Commission and the students who took the time to attend the meetings. If the current law prohibited smoking near playgrounds and tot lots, he didn't understand why there were so many cigarette butts in those areas. The money that the City would be short to initiate the program was important when the City was in a budget crunch. If the County had money available for education, it should be putting on programs and educating citizens. He did not know if he could support any ban on smoking.

Councilmember Cordero stated the issue of enforcement had been brought up several times. Several years ago there was a law passed to prohibit smoking in restaurants. It has been something that society has learned to deal with. The enforcement issue was not a valid reason to not support it. This was the way the public was going. No smoking was going to be the rule in the future. He was going to support it.

Mayor Lavagnino stated he never smoked. He thanked everyone who spoke on both sides of the issue. He also thanked the Recreation and Parks Commission. In his opinion, it was unenforceable. The taxpayers of the City were the ones paying for the parks. The residents of Santa Maria had the choice to smoke or not smoke. The City was famous for its barbecues; and if cigarette smoke was banned, then people would want to ban barbecue smoke. He felt the City would be going down the wrong road when it prohibited the use or curtailed a person's personal right to choose how they wanted to live their lives. He would not be in support of the ordinance.

Councilmember Cordero stated the law was not unenforceable. It might not be enforced by the City; but if written correctly, it could be enforced. He did not think anyone was saying smokers could not use the parks. They would just have to smoke in designated areas. There were places where alcohol was prohibited, and there were rules that governed where people could do certain activities.

Councilmember Zacarías moved to introduce Ordinance No. 2009-09 amending Chapter 5-7 of the Municipal Code regarding use of tobacco products in City parks. The motion was seconded by Councilmember Cordero, and failed on the following vote:

AYES: Councilmembers Cordero and Zacarías
NOES: Councilmembers Orach, Patino, and Mayor Lavagnino
ABSENT: None
ABSTAIN: None

SUSPENSION OF ANNUAL INCREASES FOR SOLID WASTE LANDFILL FEES AND COLLECTION RATES.

Director of Utilities Sweet gave the staff report. The City Council is requested to adopt a resolution approving the suspension of the five percent annual rate increase effective July 2009 for landfill charges, and suspending the five percent annual rate increase effective January 2010 for solid waste collection rates for fiscal year 2009-10. This represents the eighth consecutive year, and the ninth year of the past ten years, that solid waste rates have been suspended. The ability to avoid fee increases can be partially attributed to the Non-Hazardous Hydrocarbon Impacted Soils (NHIS) Program that reduced the costs to close the existing landfill and minimize operational costs. Last year, staff had a rate study performed to provide a comprehensive analysis of solid waste fiscal operations and rate structure. The study by SCS Engineers will help evaluate solid waste financial operations and provide for prudent and proactive management of fiscal resources. A typical residential solid waste customer saves approximately $170.81 annually as a result of the suspension of solid waste fee and rate increases over the years.

Mayor Lavagnino opened the public hearing.

Hearing no requests to speak, Mayor Lavagnino closed the public hearing.

Resolution No. 2009-57 approving the suspension of annual rate increases for landfill and solid waste was adopted on motion by Councilmember Patino, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2009-57 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE SUSPENSION OF THE ANNUAL RATE INCREASES FOR CHARGES AT THE LANDFILL AND SOLID WASTE COLLECTION.

WATER AND SEWER RATE INCREASE.

Director of Utilities Sweet gave the staff report. The City Council is asked to conduct a public hearing, determine if a majority protest exists, and if no majority protest exists, introduce an ordinance instituting five percent water and sewer rate increases annually each July 1st and four percent sewer rate increases each January 1st for fiscal years 2009-10, 2010-11, and 2011-12 to sustain the water and wastewater enterprises' ability to operate the water and wastewater systems. The City has implemented minimum five percent annual water and sewer rate increases for at least the last 26 years in order to operate the water and sewer system, retire bonds, and implement capital improvements. This annual increase ensured compliance with the Clean Water Grant regulations discharge requirements set by the Regional Water Quality Control Board to prevent the introduction of pollutants into the municipal wastewater system, and to provide for

equitable distribution for the cost of the wastewater system. In compliance with Proposition 218, beginning February 6, 2009, the City mailed proposed rate increase notifications to utility customers in utility bills in both English and Spanish languages. In addition to the legal noticing requirements, two public workshops were conducted by City staff on March 11, 2009, and March 23, 2009, to discuss the proposed increases. The March 11th workshop was attended by three residents, reporters from KCOY and KSBY televisions, a representative of Golden State Water, and Councilmember Alice Patino. The March 23rd workshop was attended by eight residents.

The water enterprise is funded by proceeds from water rates. These water rates are needed to ensure the water system functions properly. The water enterprise fund must possess sufficient funding to pay for delivery of State Water and operate the water system. The proposed rate increase would be used exclusively to pay for State Water delivery, maintain aging infrastructure prior to its decline, and to operate the City's water system. The wastewater enterprise fund uses proceeds from sewer rates to run its wastewater operations. To ensure efficient operations, the enterprise must possess the appropriate funding to operate the system and maintain aging infrastructure prior to its decline.

The City's proposed five percent water rate increases are moderate and comparable to surrounding communities. The City's proposed five and four percent sewer rate increases are substantially lower than surrounding communities. The City needs the proposed rate increases to maintain a positive cash balance, pay for the costs of State Water delivery, and to complete planned short-term and long-term capital/major maintenance projects for the aging water system.

Mayor Lavagnino asked what would happen if the five percent increase for the next three years did not go into effect.

Director Sweet stated the fund would be over a $1 million in debt very quickly, and that would carry over to future years as well. The rate increases were necessary to keep a positive cash balance in the fund.

Councilmember Zacarias asked what the estimated operating cost increases were in future years.

Director Sweet stated it was in the two to three percent range and were mostly salary costs.

Chief Deputy City Clerk indicated that written correspondence in support had been received from Joan Leon.

Mayor Lavagnino opened the public hearing.

Rande Downer stated he truly appreciated the time that staff had spent with him and the excellent job staff had done to control costs. His concerns were related to water conservation. The City needed to preserve this precious resource, and they ought to make sure there was enough to go around. He requested the City develop a water conservation program that worked in a proactive and assistance-type manner on reducing the amount of water being used. His recommendation was to look at the people who were using excessive amounts of water.

Director Sweet stated the City did encourage water conservation and was a member of the Water Conservation Council. In the City's case, it was not so much an issue of quantity of water but more an issue of high quality water. State water was a very valuable resource for the City. The City was trying to find those instances that could use well water and preserve the high quality State water for domestic customers. They were looking for high water users, primarily irrigation users, which could be converted to well water instead of State water.

Ernest Armenta asked if the City currently had the funds to meet its financial obligations pertaining to water.

Director Sweet stated in 2009-10, the City did have the money to pay its obligations. In 2012-13 and 2013-14, it would be very tight even with the rate increases.

Ernest Armenta asked how the City got in the position where it did not have the money. He asked if it was because of business decisions made in the past.

Director Sweet stated when the business decisions were made in the early 1990s, it was projected that annual five percent rate increases and growth would provide a substantial cash balance through 2005. In 2005 it was anticipated there would have to be an adjustment in the five percent rate. It turned out that an adjustment was not necessary until 2009, and that adjustment was only four percent for sewer alone.

Ernest Armenta asked what would happen if there was a majority protest, and the rate increases were defeated. He asked where the money would come from to pay the City's obligations. If the Council did not approve these increases, there would have to be a reduction in services.

Director Sweet stated because of the large amount of debt, the City would have to look at a new form of indebtedness that would extend it out for more years.

Ernest Armenta stated he was always opposed to increases because he thought the City had money, but he was not opposed to this increase. He requested that if the City was going to continue selling surplus water, at least half should go back to the taxpayers and not all into the General Fund.

Hearing no further requests to speak, Mayor Lavagnino closed the public hearing.

Chief Deputy City Clerk Perez announced that nine letters of protest had been received from Joel Castillo, Terry Watson, Lawrence and Teresa Weber, Ruth Abram, Terese Watson, LeRoy Jones, Jr., Jacqueline Jones, Rande Downer, and Nancy Orchard which did not constitute a majority protest.

Ordinance No. 2009-10 approving water and sewer rate increases was introduced by title only for first reading and continued to the next meeting for second reading and adoption on motion by Councilmember Orach, seconded by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarias, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Ordinance No. 2009-10 introduced. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, RELATING TO FIVE PERCENT WATER AND SEWER RATE INCREASES ANNUALLY EACH JULY 1ST AND FOUR PERCENT SEWER RATE INCREASES EACH JANUARY 1ST FOR FISCAL YEARS 2009-10, 2010-11, AND 2011-12.

2009 ANNUAL WEED ABATEMENT PROGRAM.

Principal Civil Engineer Springer gave the staff report. The City Council is asked to hear protests against the abatement of public nuisances such as noxious and dangerous weeds, rubbish, refuse, and dirt, and authorize the Streets and Facilities Manager to perform abatement of the nuisances. On March 17, 2009, the City Council adopted Resolution No. 2009-30 declaring public nuisances. Staff mailed 118 abatement letters to owners of 159 properties. The purpose of the abatement letter was to make certain that property owners were aware that property they owned required appropriate maintenance. The letter provided an opportunity for property owners to indicate their intention to accomplish abatement on their own. Owners of undeveloped lots who were not successfully notified through the abatement mailing, had their properties posted. Property owners who do not perform their own abatement will have their property abated by the City's contractor and will have the abatement costs, plus an administrative fee, added to their property tax bill.

Mayor Lavagnino opened the public hearing.

Hearing no requests to speak, Mayor Lavagnino closed the public hearing.

Resolution No. 2009-58 overruling objections was adopted on motion by Councilmember Zacarias, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarias, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2009-58 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, OVERRULING OBJECTIONS TO THE ABATEMENT OF WEEDS, RUBBISH, REFUSE, AND DIRT PURSUANT TO TITLE 5, CHAPTER 8 OF THE SANTA MARIA MUNICIPAL CODE.

REPORT ON CITY FINANCES.
Director of Administrative Services Snodgrass gave the staff report. Council is asked to receive a report on City finances and adopt a resolution in support of Proposition 1A, a ballot measure on the May 19, 2009, Statewide Special Election. Since December 2008, staff has been assessing the impact of the deepening recession on city revenues. The result of staff's assessment is as follows: that high unemployment rates, low consumer confidence, and the financial impact of several major retail stores closing has decreased sales tax receipts dramatically; the decline in the value of median home prices, the unprecedented number of foreclosures in the City, and the decrease in real estate sales have significantly reduced property tax revenues; and, finally, the decline in residential building activity reduced estimated construction permit revenues by 50 percent. In total, the current local economic crisis has resulted in year-end estimated revenues being $2.1 million less than previously anticipated. The decline in revenues for the current year also reduces projected revenues for 2009-10. The declining home sales and decreases in selling prices this year have substantially reduced assessed values in Santa Maria. This not only impacts expected property tax revenues but also impacts vehicle license fee revenues that were converted to property tax through the State's Triple Flip. It is predicted that the City's property tax and vehicle license fee will decline an additional $1,041,440 next year. This decrease is in addition to the $985,000 decrease incorporated into the 2009-10 Budget. When faced with these revenue projections, the City Manager immediately took decisive action to reduce current spending. Primarily, as a result of this action, the current fiscal year is expected to end with revenues exceeding expenses by approximately $860,000. Staff will recommend during the Mid-Cycle Budget Review that remaining funds from 2008-09 be used to off-set operational costs in 2009-10. As part of the mid-cycle budget review, Departments were asked to identify reductions of up to five percent. The mid-cycle budget review will be before Council in June.

Proposition 1A will appear on the Special May 19th Statewide Ballot as part of the 2009-10 State Budget and tax increase agreement. Should Proposition 1A pass, $10 billion in "temporary" sales, use, income and vehicle taxes, imposed as part of the State's 2009-10 budget agreement, would each be extended for one or two years. The Board of Directors of the League of California Cities, as well as the League's Revenue and Taxation Policy Committee endorsed Proposition 1A. Currently, there is an estimated $8 billion gap in the State's Budget. Should Proposition 1A fail, the State could raid local government revenues to balance the State's budget.

Ernest Armenta stated it was the working people in the City that were affected by the tax increases. Everyone was suffering. People were nervous wrecks because they were losing everything they worked their whole life for.

Mayor Lavagnino stated the Council needed to keep the City of Santa Maria solvent. The Council was going to do everything it could to keep from putting the City in the position that some cities were in.

City Manager Ness stated the City was facing a $5.7 million deficit. The $5.7 million gap was about 11 percent of the General Fund which was substantial. Very rarely did staff ask the Council to take a position on a Statewide ballot measure unless it had a direct, significant or substantial impact on the City budget. Proposition 1A was that type of ballot measure. If it does not pass, the State would have no recourse but to come back to cities and counties and impact their budgets.

Mayor Lavagnino stated it was important to remind the people that the City did not have a City tax, a Utility Users Tax or parking meters which were significant revenue generators for other cities.

Councilmember Orach stated the City could support Proposition 1A because it would have a direct impact on the City. He asked the people to vote for it.

Councilmember Patino stated she was really conflicted about Proposition 1A. If it did not pass, the State would take money from the County and the City. She did not trust the people in Sacramento. She was concerned because she did not think any of the Propositions were going to pass. People were tired of being taxed. She asked if there were caps on the rainy day fund.

City Manager Ness stated there were caps, and the cities and counties were protected under the 2004 Proposition 1A. The State could borrow only local funds which were property tax, sales tax, and vehicle license fees, but could not take them without returning them. The people in Sacramento were looking for loopholes so they would not have to pay that money back. If it was paid back, it would probably not be for a long time. That would impact the City's budget immediately in the next fiscal year.

Councilmember Zacarías stated she helped launch a voter registration campaign, and every person she talked to was not aware that there was a special election coming up. People needed to become educated on the issues. She would not be supporting the resolution because she thought the City should be taking a position on all the propositions, not just one.

Resolution No. 2009-59 supporting Proposition 1A was approved on motion by Councilmember Orach, seconded by Mayor Lavagnino, and carried on the following vote:

AYES:	Councilmembers Cordero, Orach, and Mayor Lavagnino
NOES:	Councilmember Patino and Zacarías
ABSENT:	None
ABSTAIN:	None

Resolution No. 2009-59 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, IN SUPPORT OF PROPOSITION 1A.

CITY MANAGER'S REPORT

City Manager Ness did not present a report on items anticipated for the May 5, 2009, City Council meeting.

ORAL REPORTS BY COUNCILMEMBERS

Councilmember Cordero reported he attended the Strawberry Growers Dinner, the Cesar Chavez activities at the Library, and read to students at El Camino Junior High School on April 8th. On April 13th, he attended the ribbon cutting ceremony for the Good Samaritan new structure at East Tunnel Street. On April 15th, he met with Sandy Underwood regarding disposal of pharmaceutical drugs. On April 17th, he attended the press conference on the levee at Suey Crossing. On April 18th, he attended a function for the NAACP. On April 19th, he attended a dinner hosted by SBCAN. This morning he held his first radio broadcast on KUHL.

Councilmember Patino reported she attended the Strawberry Growers Dinner, a Citicorps meeting, and the ribbon cutting ceremony for the new Good Samaritan Transition Center for women and children.

Councilmember Zacarias reported she attended the Cesar Chavez event at the Library on April 8th and a Santa Barbara Child Care Council meeting. She attended her first Affordable Housing Committee meeting on April 15th, the Childcare Development Conference on April 18th, and the SBCAN Dinner on April 19th. On April 20th, she heard former Prime Minister Tony Blair at the Arlington Theater.

Councilmember Orach reported he attended several of the same things; but the most significant thing that happened to him was he became a grandpa on Saturday with the birth of Riley Rose Orach.

Mayor Lavagnino reported that on April 8th, he presented a proclamation for National Start Walking Day at Marian Hospital and attended the Strawberry Growers Dinner at the Fairpark. On April 10th, he did a radio broadcast on KSMA with Chuck Cova. On April 15th, he attended an INC. meeting at the Santa Maria Inn. On April 16th, he attended the SBCAG meeting in Santa Barbara. On April 17th, he did a KSMA radio broadcast with Alex Posada on Los Flores Ranch, read at the Library for "Day of the Books," and attended the press conference with Lois Capps on the levee. On April 18th, he attended a Scout Model Airplane fly-in at the Maldonado Youth Center. On April 20th, he attended the All America City Committee meeting at Atkinson Park. And on April 21st, he flew to Oakland to meet with representatives from FEMA.

ADJOURNMENT
There being no further business to come before the City Council at this time, the meeting was declared adjourned by Mayor Lavagnino at 10:12 p.m.

APPROVED

May 5, 2009
Date

Chief Deputy City Clerk of ~~the~~ City of Santa Maria and ex officio Clerk of the City Council

ATTEST

Chief Deputy City Clerk

Mayor of the City of Santa Maria